

*United States Court of Appeals  
for the Second Circuit*



**APPENDIX**



ORIGINAL  
**Nos. 76-7225,  
76-7231**

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IN THE

**United States Court of Appeals  
FOR THE SECOND CIRCUIT**

AMERICAN DIETAIDS COMPANY, INC., and U.S. NUTRI-  
TION PRODUCTS CORP.,

*Plaintiffs-Appellees and Cross-Appellants,*

vs.

PLUS PRODUCTS,

*Defendant-Appellant.*

**APPENDIX VOLUME.**

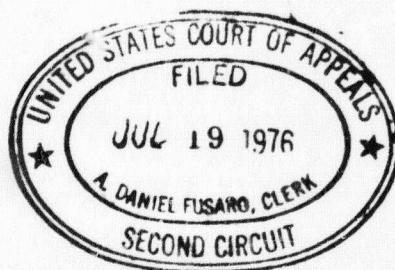
BEEHLER, MOCKABEE, ARANT,  
JAGGER & BACHAND,  
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Los Angeles, Calif. 90010,

and

KENYON KENYON REILLY CARR & CHAPIN,  
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*Attorneys for Plus Products.*



**PAGINATION AS IN ORIGINAL COPY**

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*Plaintiffs-Appellees and Cross-Appellants,*

vs.

PLUS PRODUCTS,

*Defendant-Appellant.*

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**APPENDIX VOLUME.**

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**Docket Entries.**

- Apr. 13-71 Filed Complaint Issued Summons.
- Apr. 13-71 Filed Affidavit of Apr. 13th, 1971 by Attorney Alan H. Levine in support of Pltffs request for the issuance of a summons: against defts products.
- Apr. 13-71 Filed Notice of Assignment.
- May 10-71 Filed summons with marshal's ret. Served Plus Products by Gary W. Lumer on 4-15-71
- May 14-71 Filed stip and order that deft's time to answer the complaint is extended to 6-14-71. Tyler J.
- Jun. 15-71 Filed Reply to counterclaims.

Jun. 11-71 Filed Answer to complaint and counter-claims.

July 6-71 Filed First Set of Interrogs., Requests to Produce Documents and Things, and Request for Admissions propounded by Deft. Plus Products, to Pltfs. American Diet aids Co. Inc. and U.S. Nutrition Products Corp.

Aug. 5-71 Filed stip between parties that Pltffs time to answer Interrog, requests to Produce Documents and request for admissions is extended to Sept. 16, 1971.

Sep. 20-71 Filed pltffs' Answers to Interrogs.

Sep. 20-71 Filed stipulation and order extending Plaintiffs' time to Answer Deft's. Interrogs. Nos. 1, 2, 5, 6, 7, 10-19, 39 and 40 and Requests to Produce Documents and Things, Nos. 1-10, to 10/18/71. So ordered, Tyler, J.

Oct. 19-71 Filed Pltfs'. Additional Answers to First Set of Interrogs., Requests to Produce, and Requests for Admissions

Jun. 12-72 Filed defts interrogs, document requests, and request for admissions

Jul. 20-72 Filed Stipulation and order extending plaintiffs' time to answer or object to deft's. second set of interrogs, requests to produce, and requests for admissions, to 7/31/72. So ordered, Tyler, J.

Jul. 28-72 Filed Pltfs' Answers to Second Set of Interrogs., Requests to Produce Documents and Things, and Requests for Admissions, etc.

Sep. 12-72 Filed Pltffs Interrogatories, Requests to motion to compel Pltffs to make discovery

Sep. 12-72 Filed Pltffs. Interrogatories, Requests to Produce Documents and Things of Deft.

Oct. 26-72 Filed deft's responses to pltffs' first set of Interrogs.

Nov. 10-72 Filed Pltff further response to request for discovery by Deft.

Nov. 10-72 Filed Defts affdvt and notice of motion to compel pltffs to make discovery pursuant to Rule 36 & 37 FRCP was Ret. 9-22-72

Nov. 10-72 Filed Memo Endorsed on motion filed 11-10-72 to compel pltff. Motion is referred to Magistrate Potter for hearing and report to the undersigned. So ordered 9/22/72 Tyler, J.

Nov. 10-72 Filed Memo Endorsed on motion filed 11-10-72 to compel pltff. Motion withdrawn. It is so ordered. 11-9-72. Tyler, J.

Nov. 20-72 Filed Amended Complaint.

Nov. 21-72 Filed pltffs affdvt & notice of motion for leave to amend Complaint.

Nov. 21-72 Filed Memo Endorsed on motion filed 11-21-72. Motion to Amend complaint GRANTED, there being no opposition. Amended complaint is deemed served and filed as of todays date. So Ordered 11-20-72 (mailed notice) TYLER J.

Dec. 5-72 Filed Stip & order that the defts time to move or answer with respect to the complaint is extended to 12-8-72. So ordered 12-4-72 TYLER, J.

Dec. 11-72 Filed defts notice of taking deposition of parties per se pursuant to Rule 30(b) (6).

Dec. 11-72 Filed Defts. Amended Answer and Counterclaims.

Dec. 11-72 Filed Stip & Order that the defts time to answer or otherwise move against the Amended Complaint is extended to include Friday 12-15-72 So ordered 12-8-72

Dec. 13-72 Filed Pltffs reply & amended answer & counterclaims.

Dec. 21-72 Filed Stip & Order that the pltffs deposition is hereby postponed indefinitely. So Ordered 12-21-72 DUFFY, J.

Dec. 7-73 Pre-trial conference held. DUFFY, J.

June 3-74 Filed deft's notice of taking deposition of pltffs. on 9-19-74

Nov. 7-74 Filed stip & order that on 11-14-74 etc., as indicated, deft. may take the depositions of Nolan G. Draney, Ronald Bate- man and James Ingoldsby, and that deft. shall produce the above witnesses for depositions by the pltffs. at the above designated time, date and location as indicated. So ordered—DUFFY, J.

Jan. 8-75 Filed deposition of James W. Ingoldsby dated 11-14-74

Jan. 8-75 Filed deposition of Nolan G. Draney dated 11-15-74

Jan. 8-75 Filed deposition of Ronald J. Bateman dated 11-14-74

Jan. 17-75 Filed stipulation between the parties of agreed facts as indicated.

Jan. 16-75 Filed deft's notice of filing deposition of the pltffs. per se by Milton Okin.

Jan. 16-75 Filed deposition of the pltff. by Milton Okin on 9-19-74

Jan. 16-75 Filed defts notice of filing deposition of Ronald J. Bateman, James W. Ingoldsby and Nolan G. Draney

Mar. 24-75 Before DUFFY, J. non-Jury trial begun

Mar. 25-75 trial cont'd

Mar. 26-75 trial cont'd and concluded. Judge's decision reserved

May 27-75 Filed pltff's brief after trial

May 28-75 Filed transcript of record of proceedings dated Mar. 24, 25, 26, 1973

June 23-75 Filed deft's post-trial brief.

07-28-75 Filed Pltffs' Reply Brief to deft's Post Trial Brief.

Aug. 13-75 Filed deft's rebuttal brief to pltffs' reply brief.

03-11-76 Filed Opinion #44039—for the reasons stated, the pltff. will not be enjoined from the use of the trademark. Both parties have also failed in their attempts to cancel the trademark registration of the other.

Settle judgment on notice. DUFFY, J.  
(m/n)

04-2-76

Filed Judgment—pltffs' trademarks as indicated including as a suffix the word "Plus" do not infringe deft's trademark Office Registration No. 862,624 covering the trademark Acerola Plus, and deft's U.S. Patent and Trademark Office Registration No. 789,307 covering the trademark Plus, are not cancelled—and pltffs' shall recover from deft. the costs of this action. DUFFY, J. Judgment entered-4-2-76

Clerk (m/n)

**Amended Complaint.**

1. Plaintiff, AMERICAN DIETAIDS COMPANY, INC., is a corporation of the State of New York, having a principal place of business at 33 Kings Highway, City of Orangeburg, County of Rockland, State of New York.
2. Plaintiff, U.S. NUTRITION PRODUCTS CORP., is a corporation of the State of New York, having a principal place of business at 33 Kings Highway, City of Orangeburg, County of Rockland, State of New York.
3. On information and belief, Defendant is a corporation of the State of California, having a principal place of business at 2425 East 38th Street, City and County of Los Angeles, State of California.
4. This is an action for declaratory judgment in connection with an actual controversy involving Plain-

tiffs' trademark rights having a value in excess of \$10,000, and is between citizens of two different states, jurisdiction of this court being conferred by U.S. Code, Title 28, Sections 1332 and 2201.

5. This is also an action for declaratory judgment in connection with actual controversy involving United States Patent Office trademark registrations owned by Plaintiff, **AMERICAN DIETAIDS COMPANY, INC.**, and by Defendant, jurisdiction of this court being conferred by U.S. Code, Title 28, Sections 1338 (a) and 2201, and Title 15, Section 1121.

6. On information and belief, Defendant transacts business within the State of New York, whereby service of process herein on Defendant in the State of California is authorized by New York CPLR, Sections 302 and 313 as incorporated in Rule 4(e) of the Federal Rules of Civil Procedure.

7. Plaintiffs are distributors of health foods and related items, and distribute their products throughout the United States.

8. In carrying on their businesses, Plaintiffs have adopted and used many trademarks to identify their products, and among these are a number of trademarks including as a suffix the word "plus". Examples of these trademarks are ACEROLA PLUS, used on tablets containing vitamin C, LIVER PLUS, used on tablets containing vitamins and minerals, and BONE PLUS, used on tablets containing cattle bone marrow. Other examples of Plaintiffs' trademarks including the word "Plus", are ROSE HIPS "C" PLUS, WHEYLAC PLUS, ALL-CAL PLUS, and ALFALFA SEED PLUS.

9. Plaintiffs and their predecessors in business, have continuously used trademarks including as a suffix the

word "plus" for at least the past twenty years, and continue to use many such trademarks. Furthermore, on November 19, 1963, the trademark ACEROLA PLUS was Registered on the Supplemental Register of the U.S. Patent Office, Registration No. 760,464. Thereafter, on December 31, 1968, this trademark was registered on the Principal Register of the U.S. Patent Office, Registration No. 862,624. This latter registration is now owned by Plaintiff American Diet aids Company, Inc. Copies of these registrations are attached hereto as Exhibits A and B, respectively.

10. On July 10, 1970 Plaintiffs received letters, dated July 7, 1970, from Beehler, Arant & Jagger, attorneys for Defendant, charging that Plaintiff's use of trademarks including the word "PLUS" constitutes infringement of Defendant's alleged trademark rights. Reference was made in each letter, to Defendant's Patent Office Registration No. 789,307, covering the trademark PLUS used on vitamin products and food supplements. Copies of these letters are attached hereto as Exhibits C and D, and a copy of Defendant's registration is attached hereto as Exhibit E.

Attorneys for Plaintiffs responded to that letter on July 28, 1970, a copy of the response being attached hereto as Exhibit F. On September 25, 1970, the attorneys for Defendant wrote to Plaintiff's attorneys repeating the charge of infringement, stating that Defendant was committed to aggressive action against infringers, and insisting that Plaintiff discontinue using its trademarks including the word "PLUS". A copy of this letter is attached hereto as Exhibit G. The response of Plaintiff's lawyers, dated September 30, 1970, is attached hereto as Exhibit H.

11. Since the exchange of correspondence referred to in Paragraph 10 above, Defendant has not withdrawn its charge of infringement, nor retracted its demand that Plaintiffs discontinue using its trademarks containing the word "PLUS".

12. Defendant is not justified in demanding that Plaintiffs discontinue using their trademarks including the word "PLUS" since there is no confusing similarity between any of Plaintiffs' said trademarks and Defendant's alleged trademark PLUS.

13. The word "PLUS" has been so widely used in connection with trademarks for food products, vitamins, and food supplements that it is not subject to exclusive appropriation as a suffix in composite word trademarks by Defendant.

14. Defendant is not entitled to assert that Plaintiffs' trademarks including the suffix "PLUS" infringe Defendant's alleged trademark rights by reason of laches, Plaintiffs' said trademarks having been in open, continuous, and extensive use by Plaintiffs for at least twenty years prior to the charge of infringement by Defendant, to the knowledge of Defendant, with no attempt on the part of Defendant to obtain a judicial determination of its alleged rights in respect to use by Plaintiffs of the trademark now complained of. Plaintiffs have relied upon Defendant's acquiescence and delay and have continued their use of their trademarks and have invested large sums in promoting and advertising their said trademarks. Defendant is therefore estopped from claiming that any use of Plaintiff's said trademarks constitutes infringement of Defendant's alleged trademark rights.

15. On May 11, 1965, the U.S. Patent Office issued Registration No. 789,307 to defendant covering

the alleged trademark "PLUS" for use on vitamin products, food fortifiers, and food supplements.

16. The word "PLUS" has been so widely used in connection with trademarks for food products, vitamins, food supplements, and many other items that it cannot possibly function by itself as a trademark for any one manufacturer's goods, and hence defendant's Registration No. 789,307 was invalidly issued and should be cancelled.

WHEREFORE, Plaintiffs pray for judgment that:

1. Plaintiffs' trademarks including as a suffix the word "PLUS" do not infringe any trademark rights which Defendant may have;
2. Defendant is estopped from claiming that any of Plaintiffs' trademark including as a suffix the word "PLUS" infringe any trademark rights which Defendant may have;
3. That U.S. Patent Office Trademark Registration No. 789,307, covering the trademark PLUS be ordered cancelled.
4. Defendant be ordered to pay the costs and reasonable attorneys' fees of this action;
5. Plaintiff be granted such other and further relief as this court may deem just.

—11—

EXHIBIT A

United States Patent Office

760,464

Registered Nov. 19, 1963

Supplemental Register

Trademark

Ser. No. 162,208, filed P.R. Feb. 6, 1963;

Am. S.R. Aug. 28, 1963

ACEROLA PLUS

U.S. Nutrition Products Co., Inc. (New York corporation)

923 Old Nepperhan Ave.

Yonkers 2, N.Y.

For: TABLETS CONTAINING VITAMIN C, in  
CLASS 18.

First use October 1960; in commerce October 1960.

No registration rights are claimed for the word  
"Acerola" apart from the mark as a whole.

—12—

EXHIBIT B

United States Patent Office

862-624

Registered Dec. 31, 1968

Principal Register

Trademark

Ser. No. 233,659, filed Nov. 30, 1965

ACEROLA PLUS

U.S. Nutrition Products Co., Inc. (New York corporation)

923 Old Nepperhan Ave.  
Yonkers, N.Y.

For: TABLETS CONTAINING VITAMIN C, in  
CLASS 18 (INT. CL. 5).

First use October 1960; in commerce October 1960.

For the purpose of this registration only, and without  
waiving any common law rights, no claim is made  
to the word "Acerola" apart from the mark as shown.

Owner of Reg. No. 760,464.

R. H. NEILSON, *Examiner.*

—13—

EXHIBIT C

July 7, 1970

American Diet aids Company, Inc.  
923 Old Nepperhan Avenue  
Yonkers, New York 10703

Gentlemen:

This letter is written to you on behalf of Plus Products, a California Corporation, whose address is 2425 East 38th Street, Los Angeles, California, whom we represent as trademark counsel. Plus Products is the owner of Trademark Registration No. 789,307 for the trademark "PLUS" and currently is merchandising substantially all of the items appearing on the list appearing in the trademark registration.

Before preparing this notice we have placed before us and have carefully examined products and literature of your company, most of which fall under the classification of dietary and food supplements and fortifiers.

What concerns us is repeated use on labels, applied to the containers, of the word "PLUS" in one guise or another. We naturally understand that the trademark rights of our client do not extend to words used purely in a descriptive sense. Our complaint, instead, is the indiscriminate featuring of the word "PLUS" without relating it to an express description of the contents. In our view, the use of "PLUS" in the manner described constitutes infringement of our client's trademark rights and infringement of its Registration No. 789,307. We consider the charge infringement to apply whether or

not the word "PLUS" is accompanied by some other term.

We expect that you may not have been aware of the trademark rights of our client; or perhaps, because of similar uses by others, have concluded that the use you have made of the term is available to the public. If having had this matter brought to your attention you will consider ultimately discontinuing use of "PLUS" in the manner complained of, we will suggest to Plus Products that they agree to the using up of a reasonable quantity of current supplies of labels and containers.

We would prefer to handle the situation on an amicable basis, setting a cutoff date when the practice will be discontinued and without requesting an accounting for the previous period of infringement.

Please be kind enough to give this your early attention and reply so that we will be in a position to know as to how to advise our client.

A copy of the trademark is enclosed.

EXHIBIT D

July 7, 1970

U.S. Nutrition Products Company  
923 Old Nepperhan Avenue  
Yonkers, New York 10703

Gentlemen:

This letter is written to you on behalf of Plus Products, a California Corporation, whose address is 2425 East 38th Street, Los Angeles, California, whom we represent as trademark counsel. Plus Products is the owner of Trademark Registration No. 789,307 for the trademark "PLUS" and currently is merchandising substantially all of the items appearing on the list appearing in the trademark registration.

Before preparing this notice we have placed before us and have carefully examined products and literature of your company, most of which fall under the classification of dietary and food supplements and fortifiers.

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We expect that you may not have been aware of the trademark rights of our client; or perhaps, because of similar uses by others, have concluded that the use you have made of the term is available to the public. If having had this matter brought to your attention you will consider ultimately discontinuing use of "PLUS" in the manner complained of, we will suggest to Plus Products that they agree to the using up of a reasonable quantity of current supplies of labels and containers.

We would prefer to handle the situation on an amicable basis, setting a cutoff date when the practice will be discontinued and without requesting an accounting for the previous period of infringement.

Please be kind enough to give this your early attention and reply so that we will be in a position to know as to how to advise our client.

A copy of the trademark is enclosed.

EXHIBIT E.

UNITED STATES PATENT OFFICE

789,307

Registered May 11, 1965

Principal Register

Trademark

Ser. No. 183,787, filed Dec. 30, 1963

PLUS

Plus Products (California corporation)

2302 E. 38th St.

Los Angeles, Calif.

For: HIGH PROTEIN VITAMIN PRODUCTS AND MINERAL FOOD FORTIFIERS, NAMELY, VITAMIN B-COMPLEX, SODIUM ASCORBATE, INOSITOL, NAMELY, A VITAMIN OF THE B-COMPLEX, VITAMIN A, VITAMINS A AND D COMBINED, VITAMIN B-COMPLEX, VITAMIN B<sub>1</sub> (THAMIN CHLORIDE), VITAMIN D, VITAMIN E, LECITHIN PERLES, DIETARY CALCIUM, CHOLINE, VITAMIN SYRUP CONSISTING OF VITAMINS A, D, B<sub>1</sub>, B<sub>2</sub>, B<sub>6</sub>, B<sub>12</sub>, C, E, NIACIN-AMIDE AND PANTOTHENIC ACID in Class 18.

For: FOOD SUPPLEMENTS AND FORTIFIERS FOR BREADS, ROLLS AND BUNS—NAMELY, A GRANULATED MIXTURE OF YEAST, MOLASSES, POWDERED MILK AND DESICCATED LIVER, PROTEIN POWDER CONSISTING OF NON-FAT MILK SOLIDS, HIGH PROTEIN CONCENTRATES FROM SOY BEANS AND MILK AND

DEFATTED WHEAT GERM, LIVER POWDER,  
CALCIUM AS CALCIUM LACTATE, SOYBEAN  
OIL, SAFFLOWER OIL, VEAL BONE, ASH, YEAST  
TABLETS, DIGESTIVE ENZYMES, CONCEN-  
TRATED GARLIC AND PARSLEY, GARLIC OIL,  
YEAST WITH BALANCED B VITAMINS, PRO-  
TEIN WAFERS, PROTEIN TABLETS, HIGH PO-  
TENCY COD LIVER OIL, WHEAT GERM OIL,  
LIVER POWDER, AND BALANCED B YEAST—  
in CLASS 46.

First use on or about Jan. 1, 1940; in commerce  
on or about Jan. 1, 1941.

EXHIBIT F

July 28, 1970

Bruce A. Jagger, Esq.  
Beehler, Arant & Jagger  
3540 Wilshire Boulevard  
Los Angeles, California 90005

Dear Mr. Jagger:

Your letters of July 7, 1970 to American Diet aids Company, Inc. and U.S. Nutrition Products Company have been turned over to us for consideration and reply.

We find your letters a little vague concerning the activities of our clients about which you are complaining. So that we may advise our clients, we ask that you identify for us all, or at least some of the labels used by our clients which your client finds objectionable.

Furthermore, please let us know whether your client's complaint extends to our clients' several trademarks including the word "PLUS", such as the trademark ACEROLA PLUS covered by Patent Office Registration No. 862,624, a copy of which is enclosed. You will note that our client has been using this particular trademark for almost ten years. This trademark was originally registered by our client on the Supplemental Register (No. 760,464) in 1963, and we note that your client's Registration No. 789,307 was issued in 1965. Thus, the Patent Office did not consider your client's trademark confusingly similar to our client's previously registered mark.

We might add that some of our client's trademarks including the suffix "PLUS" have been in use even longer than the ACEROLA PLUS trademark.

EXHIBIT G

September 25, 1970

Mr. Alan H. Levine  
Breitenfeld & Levine  
350 Fifth Avenue  
New York, N. Y. 10001

Dear Mr. Levine:

This will reply to questions raised in your letter to us of July 28, 1970, respecting the charge of infringement on the part of Plus Products.

To recap for convenience the specific products which concern our client, they are those identified by short legends terminating in the word PLUS, without there being anything following the word PLUS. Specific examples of these are labels of either American Diet aids Company, Inc. or U.S. Nutrition Products Company, such as the following:

VITAMIN E PLUS, WHEY LACK PLUS, BONE PLUS, LIVER PLUS, LECITHIN PLUS, VITAMIN C PLUS, ACEROLA PLUS, and WONDEROLA PLUS

While we appreciate that the position of your client may be to the effect that something is understood following the word PLUS, what we object to as a trademark infringement is the dangling position of the word PLUS, not used in a descriptive sense, and which is precisely the same as our client's trademark registration No. 789,307.

So that we may be considering the same applicable dates, we can advise that we are in a position to

supply abundant proof of first use of PLUS as a trademark in interstate commerce at least as early as January 1, 1941, the claimed first use in commerce appearing on the trademark registration. It is, of course, the first interstate trademark use which is the controlling date rather than the date either of application or issue of a trademark registration. The legal right commences with actual use. Such use is many years prior to the earliest dates of use apparently claimed by American Diet aids or U.S. Nutrition Products Company.

Furthermore, issuance of the ACEROLA PLUS trademark to your client in 1968, claiming a first use in 1960, is only a *prima facie* indication of ownership in the trademark registration and is not conclusive of the legal rights involved.

Since there are so many instances of infringement on the part of your client's labelling and since we have been committed to a program of aggressive action against infringers, we regret to be compelled to reject the explanation in your letter of July 28, 1970, and insist upon discontinuance of the infringement complained of.

EXHIBIT H

September 30, 1970

Vernon D. Beehler, Esq.  
Beehler, Arant & Jagger  
3540 Wilshire Boulevard  
Los Angeles, California 90005

Dear Mr. Beehler:

We have your letter dated September 25, 1970.

Your letter appears to emphasize the allegation that your client started using the trademark PLUS prior to the time our clients used any of their trademarks including the word "Plus". This may or may not be so.

However, your letter does not address itself directly to the issue of likelihood of confusion. Our previous letter pointed out that our client's Registration No. 760,464 covering the trademark ACEROLA PLUS was in existence at the time your client's Registration No. 789,307 was issued. This is evidence that the Patent Office does not consider these two trademarks confusingly similar.

We have scanned your client's catalog, and it appears that your client uses the trademark PLUS almost exclusively in combination with a design including a red cross symbol surrounded by a circular border.

Our clients use no such design in connection with any of their trademarks, and thus in our opinion there is no likelihood of confusion between your client's composite trademark and any of our clients' trademarks.

Furthermore, we wish to point out that our clients are not newcomers, but rather have built up a valuable good will in the trademarks mentioned in your letter

as a result of continuous and substantial use over many years.

For all these reasons, our clients must reject your demand that they discontinue using their trademarks in question.

**Amended Answer and Counterclaims.**

Defendant, Plus Products, answers the amended complaint herein and counterclaims as follows:

1. Answering paragraphs 1 and 2, defendant alleges that it is without knowledge or information sufficient to form a belief as to the truth of each and every allegation therein.
2. Answering paragraph 3, defendant admits the allegation contained therein.
3. Answering paragraph 4, defendant admits that plaintiffs and defendant are citizens of different states and denies each and every other allegation contained therein.
4. Answering paragraph 5, defendant admits that this Court has jurisdiction over actions involving plaintiffs' United States trademark registrations under Title 28, § 1338(a) and Title 15, § 1121 and denies each and every other allegation contained therein.
5. Answering paragraph 6, defendant denies each and every allegation contained therein.
6. Answering paragraph 7, defendant alleges that it is without knowledge or information sufficient to form a belief as to the truth of any of the allegations contained in said paragraph.
7. Answering paragraph 8, defendant admits that plaintiffs are now using the words "ACEROLA PLUS,"

“LIVER PLUS,” “BONE PLUS,” “ROSE HIPS ‘C’ PLUS,” “WHEY-LAC PLUS,” “ALL-CAL PLUS,” and “ALFALFA SEED PLUS” on their products and denies each and every other allegation contained therein.

8. Answering paragraph 9, defendant alleges that it is without knowledge or information sufficient to form a belief as to the truth of the allegations therein as to the extent of prior usage by plaintiffs and their predecessors in business of the word “PLUS”; defendant alleges that it is without knowledge or information sufficient to form a belief as to the truth of the allegation of the ownership of U.S. trademark registration No. 862,624; admits that “ACEROLA PLUS” was registered on the Supplemental Register of the U.S. Patent Office, registration No. 760,464 and that “ACEROLA PLUS” was registered on the Principal Register of the U.S. Patent Office, registration No. 862-624 and denies that “ACEROLA PLUS” was duly or legally registered; admits that plaintiffs now use the word “PLUS” on many of their products; denies each and every other allegation contained therein.

9. Answering paragraph 10, defendant admits that the letters referenced therein and attached thereto as Exhibits C, D, F, G, and H were sent and received as alleged therein; admits that Exhibit E attached thereto is an uncertified copy of defendant’s U.S. trademark registration No. 789,307 for defendant’s trademark “PLUS” as registered May 11, 1965; denies each and every other allegation contained therein.

10. Answering paragraph 11, defendant admits each and every allegation contained therein.

11. Answering paragraphs 12 and 13, defendant denies each and every allegation contained in said paragraphs, and each of them.

12. Answering paragraph 14, defendant alleges that it is without knowledge or information sufficient to form a belief as to the truth of the allegations concerning the extent of prior usage by plaintiffs of the word "PLUS" on their products; defendant admits that prior to this action it has not sought a judicial determination of defendant's rights in respect to use by plaintiffs of the word "PLUS" on plaintiffs' products; denies each and every other allegation contained therein.

13. Answering paragraph 15, defendant admits that on May 11, 1965, the United States Patent Office registered defendant's trademark "PLUS" on the Principal Register for the goods recited in the registration, which registration is registration No. 789,307, a copy of which is attached hereto as Exhibit A and incorporated herein by referral; denies each and every other allegation contained therein.

14. Answering paragraph 16, defendant denies each and every allegation contained therein.

#### **FIRST AFFIRMATIVE DEFENSE**

15. The amended complaint fails to state a claim against defendant upon which relief can be granted.

#### **SECOND AFFIRMATIVE DEFENSE**

16. This Court lacks jurisdiction over the person of defendant, Plus Products, in that defendant does not transact business within the state of New York and does not have the minimum contact with New York that would be the requisite to the exercise of jurisdiction over defendant.

#### **THIRD AFFIRMATIVE DEFENSE**

17. Venue is improperly laid in this Court.

#### FOURTH AFFIRMATIVE DEFENSE

18. Defendant is not subject to service of process herein because defendant does not transact business within the state of New York.

#### FIRST COUNTERCLAIM

19. This counterclaim arises out of the trademark laws of the United States and the laws of unfair competition. It is brought pursuant to:

(a) Section 39 of the Lanham Act, 15 U.S.C. § 1121, giving this Court jurisdiction of all actions arising under that Act without regard to the amount in controversy;

(b) The Judicial Code, 28 U.S.C. § 1338(a) and 1338(b), relating to claims of trademark infringement and claims of unfair competition "joined with a substantial and related claim under the . . . trademark laws";

(c) Sections 32(1), 34, 35, 36, and 37 of the Lanham Act, 15 U.S.C. §§ 1114(1), 1116, 1118, and 1119.

20. Defendant, Plus Products, is a California corporation located and doing business at 2425 East 38th Street, Los Angeles, California 90058.

21. Upon information and belief, plaintiff, American Diet aids Company, Inc., is a corporation of the state of New York, having a principal place of business at 923 Old Nepperhan Avenue, City of Yonkers, county of Westchester, state of New York.

22. Upon information and belief, plaintiff, U.S. Nutrition Products Corp., is a corporation of the state of New York, having a principal place of business at 923 Old Nepperhan Avenue, city of Yonkers, county of Westchester, state of New York.

23. Defendant, Plus Products, and its predecessor in business have been continuously engaged in the production, distribution, and sale of foods, food supplements, including vitamin and mineral food fortifiers and supplements, since on or about the first day of January 1940, and is still engaged in such production, distribution, and sale of such goods.

24. Upon information and belief, plaintiffs, American DietAids Company, Inc., and U.S. Nutrition Products Corp., are engaged in the production, distribution, and sale of foods, food supplements, including vitamin and mineral food fortifiers and supplements, and possibly other food supplements and fortifiers.

25. Defendant, Plus Products, and its predecessor in business, have consistently and continuously used the trademark "PLUS" for their goods to distinguish them from the goods of others since on or about the first day of January 1940, and is continuing to use the trademark "PLUS" to distinguish its goods from those of others. Defendant's, Plus Products, business is substantial, and the goods for which it uses the trademark "PLUS" are extensively advertised, publicized, sold, and used throughout the United States and elsewhere.

26. Defendant, Plus Products, was the first to adopt and use the trademark "PLUS" for the classes of goods to which defendant applies this trademark, and is the owner of this trademark as applied to these classes of goods. Defendant is the owner of trademark registration No. 789,307, registered May 11, 1965, for the trademark "PLUS"; and this registration is in full force and effect, unrevoked, uncancelled, and incontestable under Section 15 of the Lanham Act,

15 U.S.C. § 1065. A copy of said registration is attached hereto as Exhibit A and incorporated herein by reference.

27. The word "PLUS" is the dominant word in defendant's business name. Defendant, Plus Products, employs its trade name on its stationery, in its advertising, and on promotional material to identify defendant's business.

28. For many years large sums of money have been expended in the United States and elsewhere in order to advertise the goods sold by defendant under its "PLUS" trademark. In consequence of the efforts and expenditures of defendant, substantial goodwill has been built up for defendant's trademark and trade name and for the goods sold under this trademark.

29. Upon information and belief, plaintiffs have improperly employed and are continuing to improperly employ and infringe defendant's trademark "PLUS," and the dominant part of defendant's trade name, in connection with the sales, offering for sale, and advertising of plaintiffs' goods and services in a way likely to cause confusion and to deceive the general public.

30. Upon information and belief, plaintiffs have improperly employed and are continuing to improperly employ reproductions and colorable imitations of defendant's trademark "PLUS," and the dominant part of defendant's trade name, in connection with the sales, offering for sale, and advertising of plaintiffs' goods and services in a way likely to cause confusion and to deceive the general public.

31. Plaintiffs are infringing defendant's trademark "PLUS" and engaging in unfair competition in the following ways, among others:

(a) By advertising, offering to sell, selling, and continuing to sell plaintiffs' vitamin and mineral food supplement goods on which appears the designation "PLUS" with full knowledge of the prior ownership, extensive prior use, and prior registration by defendant of the trademark "PLUS";

(b) By advertising, offering to sell, selling, and continuing to sell the goods designated as: "LIVER PLUS," "VITAMIN C PLUS," "BONE PLUS," "VITAMIN E PLUS," "ACEROLA PLUS," "LECITHIN PLUS," "WHEY-LAC PLUS," and "WONDEROLA PLUS."

32. Plaintiffs use of the designation "PLUS" for their goods is likely to cause purchasers and potential purchasers of these goods to believe that the goods of plaintiffs are those of defendant.

33. Plaintiffs are in no way connected with defendant, and use by plaintiffs of the designation "PLUS" is without the license or consent of the defendant, and the products advertised, offered for sale, and sold by plaintiffs are the same general description, same price category, same package attributes, same customer appeal, and are of the same descriptive property as are the goods of defendant to which defendant applies its trademark "PLUS" and as set forth in the trademark registration of defendant.

34. Defendant has disregarded plaintiffs' demands that it cease its acts of trademark infringement and unfair competition.

35. By reason of plaintiffs' actions, defendant has been seriously and irreparably damaged, and unless plaintiffs are restrained therefrom, defendant will continue to be so damaged.

36. Defendant has no adequate remedy at law.

## SECOND COUNTERCLAIM

37. Defendant realleges and incorporates herein by reference each and every allegation contained in paragraphs 19 through 36 of its first counterclaim hereinabove set forth.

38. Defendant's, Plus Products, registered trademark "PLUS" and the registered trademark "ACEROLA PLUS" are registered for and used for the same classes of goods in direct competition with one another. "ACEROLA PLUS" is confusingly similar to "PLUS." Defendant, Plus Products, exclusively adopted, has owned, and has lawfully used its trademark "PLUS" for these same classes of goods, and as the dominant part of its trade name, consistently and continuously from a date many years prior to plaintiffs' adoption and first use of "ACEROLA PLUS" for these same classes of goods.

39. Plaintiffs are not the owners of and are not entitled to the exclusive use of the designation "ACEROLA PLUS" Because it is confusingly similar to the trademark "PLUS" that has been lawfully, consistently, and continuously used by defendant, Plus Products, from a date prior to plaintiffs' first use of "ACEROLA PLUS."

40. Defendant, Plus Products, has been damaged and will continue to be damaged by the trademark registration No. 862,624, for "ACEROLA PLUS," registered December 31, 1968, on the Principal Register of the United States Patent Office, unless this trademark

registration is ordered canceled under the provisions of Section 37 of the Lanham Act, 15 U.S.C. § 1119.

Wherefore, defendant prays:

A. That plaintiffs and all persons acting in concert with plaintiffs, including their agents, servants, employees, successors, and assigns, be preliminarily and permanently enjoined from:

(1) Using in the sale of vitamin and mineral food supplements, and like goods, the word "PLUS" or any name including the word "PLUS" or any other colorable imitation of the registered trademarks of defendant, except that the word "PLUS" may be used descriptively to refer to added ingredients, provided that language precede and follow such word and characters equal and identical in size, type, color, illumination, mounting, spacing, decoration, material, and format;

(2) Using in the sale of vitamin and mineral food supplements and like goods the word "PLUS" in type, character, appearance, or print which distinguishes "PLUS" from other legend and display material.

(3) Otherwise infringing the trade name and trademarks of defendant.

B. That plaintiffs be required to file with the Court and to serve on defendant's counsel within 30 days after service of any preliminary injunction or final injunction issued herein, or within such reasonable time as the Court shall direct, a report in writing and under oath, setting forth in detail the manner

and form which plaintiffs have complied with such injunction.

C. That plaintiffs be required to account to the defendant for all profits realized from the sale of products bearing the name "PLUS" and for all damages sustained by defendant on account of the infringement aforesaid and that such damages be trebled.

D. That United States Patent Office trademark registration No. 862,624, for "ACEROLA PLUS," registered December 31, 1968, on the Principal Register be ordered canceled.

E. That defendant has and receive the costs of this action; and

F. That defendant be awarded reasonable attorneys' fees.

G. That defendant has other and further relief as to the Court may seem just and proper.

DEFENDANT'S EXHIBIT A.

UNITED STATES PATENT OFFICE

789,307

Registered May 11, 1965

Principal Register

Trademark

Ser. No. 183,787, filed Dec. 30, 1963

PLUS

Plus Products (California corporation)

2302 E. 38th St.

Los Angeles, Calif.

For: HIGH PROTEIN VITAMIN PRODUCTS AND MINERAL FOOD FORTIFIERS—NAMELY, VITAMIN B-COMPLEX, SODIUM ASCORBATE, INOSITOL, NAMELY, A VITAMIN OF THE B-COMPLEX, VITAMIN A, VITAMINS A AND D COMBINED, VITAMIN B-COMPLEX, VITAMIN B<sub>1</sub> (THIAMIN CHLORIDE), VITAMIN D, VITAMIN E, LECITHIN PERLES, DIETARY CALCIUM, CHOLINE, VITAMIN SYRUP CONSISTING OF VITAMINS A, D, B<sub>1</sub>, B<sub>2</sub>, B<sub>6</sub>, B<sub>12</sub>, C, E, NIACINAMIDE AND PANTOTHENIC ACID in CLASS 18.

For: FOOD SUPPLEMENTS AND FORTIFIERS FOR BREADS, ROLLS AND BUNS—NAMELY, A GRANULATED MIXTURE OF YEAST, MOLASSES, POWDERED MILK AND DESICCATED LIVER, PROTEIN POWDER CONSISTING OF NON-FAT MILK SOLIDS, HIGH PROTEIN CONCEN-

TRATES FROM SOY BEANS AND MILK AND DEFATTED WHEAT GERM, LIVER POWDER, CALCIUM AS CALCIUM LACTATE, SOYBEAN OIL, SAFFLOWER OIL, VEAL BONE ASH, YEAST TABLETS, DIGESTIVE ENZYMES, CONCENTRATED GARLIC AND PARSLEY, GARLIC OIL, YEAST WITH BALANCED B VITAMINS, PROTEIN WAFERS, PROTEIN TABLETS, HIGH POTENCY COD LIVER OIL, WHEAT GERM OIL, LIVER POWDER, AND BALANCED B YEAST—in CLASS 46.

First use on or about Jan. 1, 1940; in commerce on or about Jan. 1, 1941.

REGISTERED FOR A TERM OF 20 YEARS FROM May 11, 1965.

Affd. Sec. 8 Acpt.

Sec. 15 affidavit filed on Sept. 18, 1970.

Certified to be a true copy of the registration, which is in full force and effect, with notations of all effective actions taken thereon, excluding transfers, as disclosed by the records of the United States Patent Office.

/s/ illegible  
Commissioner of Patents

[Seal]

**Reply to Amended Answer and Counterclaims.**

Plaintiffs reply to Defendant's counterclaims as follows:

1. Plaintiffs admit the allegations of Paragraphs 19-22 and 24 of the First Counterclaim, except that the principal place of business of each Plaintiff is at 33 Kings Highway, City of Orangeburg, County of Rockland, State of New York.
2. Plaintiffs are without knowledge as to the allegations of Paragraphs 23 and 25-28 of the First Counterclaim, and therefore deny the same, except that Plaintiffs admit that on May 11, 1965 the Patent Office issued Registration No. 789,307 as recited in Paragraph 26.
3. Plaintiffs deny the allegations of Paragraphs 29-36 of the First Counterclaim, except that Plaintiffs admit that they are in no way connected with Defendant as recited in Paragraph 33.
4. Plaintiffs deny the allegations of Paragraphs 37-40 of the Second Counterclaim, except that Plaintiffs admit that Plaintiffs' and Defendant's goods are of the same class.

**WHEREFORE**, Plaintiffs pray that the Counterclaims be dismissed with costs and reasonable attorneys' fees and that the court grant to the Plaintiffs such other and further relief as it may deem just.

**Opinion.**

**KEVIN THOMAS DUFFY, D.J.**

The plaintiffs, American Diet aids Company, Inc. and its subsidiary U. S. Nutrition Products Corp. (both are collectively referred to hereinafter as "American Diet aids") have sued for a declaratory judgment that (1) their trademarks do not infringe defendant PLUS Products' trademark and (2) Plus Products is estopped by laches from asserting any trademark rights it may have in the word "plus." Plaintiff also seeks cancellation of defendant's "PLUS" trademark (Registration No. 789,307) from the Principal Register of the Patent and Trademark Office.

The defendant has counterclaimed alleging trademark infringement and unfair competition, as well as seeking cancellation of plaintiffs' trademark "ACEROLA PLUS" (Registration No. 862,624) from the Principal Register of the Patent and Trademark Office.

American Diet aids has been in business since 1937 selling dietary supplements (primarily vitamins and minerals) to health food jobbers who distribute the products to health food stores throughout the country.

The defendant, in business since 1939, began selling vitamins for human consumption in 1940 or 1941. Defendant under the style or trade name of Plus Products originally operated as a mail order business selling mostly to chiropractors. In 1954, defendant expanded its mail order business to consumers other than chiropractors. In 1960, defendant began distributing its products to health food stores directly and through jobbers. In 1968 the defendant, which had begun as a sole proprietorship and had later became a corporation, was sold. Shares in the corporation were first offered to the public in 1972.

The defendant's original trademark was a seal-type design using the words "QUALITY" and "PLUS" each superimposed over one axis of a plus symbol. In 1964 the seal design was changed to delete the word "QUALITY." It was the altered seal design which apparently formed the basis of defendant's December 30, 1963 application to register the trademark "PLUS" in the Patent and Trademark Office. The registration on the Principal Register was issued on May 11, 1965. (15 U.S.C. § 1052). In 1972 the seal-type design was dropped and a new design of the word "PLUS," with a plus symbol inside the loop of the "P" was adopted.

Originally, the defendant's labels generally bore the seal design at the top, a descriptive designation such as "Vitamin A" in the middle, and the defendant's name at the bottom. In 1954, the descriptive designation portion of defendant's labels began to appear as "Plus Formula .....", the blank being filled by a number indicating which product it was. From 1954 to 1970, the "PLUS" seal was occasionally used at the first word in the Formula designation, rather than using both the seal and the word "plus." From 1970 to 1972 all of the defendant's labels used this format.<sup>1</sup>

The plaintiff started using so-called "plus-suffix trademarks" (trademarks including "Plus" as a suffix) on three of its products in 1958 or slightly earlier. It added a fourth plus-suffix product in 1959. Nine additional plus-suffix trademarked products were introduced by plaintiff between 1960 and 1962.

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<sup>1</sup>Two products which were introduced in 1966 by defendant and which are still sold today, are identified by the usual labels with the additional terms "YEAST PLUS" and "PROTEIN PLUS," respectively. These two names are very similar in style to the names of plaintiff's products as described below. However, there are no products in plaintiff's line which use these designations.

On November 19, 1963, plaintiff's trademark "ACEROLA PLUS" (the product was introduced in 1960) was registered on the Supplemental Register of the Patent and Trademark Office (15 U.S.C. § 1091 *et seq.*). In 1965, plaintiff applied to register the trademark on the Principal Register (15 U.S.C. § 1052). In due course the trademark was published for opposition and the registration was eventually issued in 1968. Defendant has never applied to cancel the registration. (15 U.S.C. § 1064).

A new plus-suffixed product, "CAMU PLUS"<sup>2</sup> was introduced in 1967, and several others have been introduced from 1973 on.

At the time that plaintiff started to use its plus-suffix trademarks, it was unaware of the existence of Plus Products, the defendant. Milton Okin, the principal of plaintiff, first became aware of the defendant sometime during the early 1960's, when defendant's products began to be sold in retail health food stores. The defendant first became aware of plaintiff's ACEROLA PLUS tablets in 1963 or 1964.

On July 7, 1970, an attorney for the defendant wrote letters to plaintiff claiming that plaintiff's plus-suffix trademarks infringed defendant's "PLUS" trademark. Plaintiff denied infringement. Correspondence between the parties indicated that the defendant intended to press its claim. On April 13, 1971, American Diet aids commenced this action.

A threshold question is the validity of the defendant's trademark registration. The plaintiffs have asked me

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<sup>2</sup>This trademark has apparently been registered on the Supplemental Register and is the subject of an opposition proceeding by defendant.

to cancel this registration on the grounds that defendant, in its December 30, 1963 application for registration, asserted a first use of the trademark PLUS in interstate commerce on or about January 1, 1941. The plaintiff argues that the "QUALITY PLUS" or "PLUS QUALITY" (as defendant would have it) seal was used until 1964 by which time most of plaintiffs' plus-suffixed products were already on the market. Even taking 1954, the year in which the "Plus Formula ...." label was adopted by defendant, as the first year in which defendant used "PLUS" alone as a trademark, plaintiff argues that defendant made a false representation to the Patent and Trademark Office.

However, plaintiff failed to put into evidence the file wrapper history of the "PLUS" registration by defendant. Defendant argues that such evidence would have revealed that defendants fully disclosed the nature of its 1941 use of "PLUS" to the trademark examiner. I make no finding as to what such evidence would have shown; however, the failure of proof of a false representation by defendant defeats plaintiff's application for cancellation of defendant's trademark.<sup>3</sup>

However, the fact that a trademark registration application for part of a composite trademark claims as a date of first use the first use of the composite mark does not compel the conclusion that another's use of part of the composite mark constitutes a trademark infringement. It is undisputed that defendant began using "PLUS" as part of its trademark well before the plaintiff introduced its first plus-suffixed products.

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<sup>3</sup>It is unnecessary to reach defendant's additional arguments that plaintiff has no standing to challenge the "PLUS" registration since it asserts inconsistently that there is no possibility of confusion between its products and those of the defendant.

However, the principal of plaintiff testified, and I credit his testimony, that when plaintiff adopted its first plus-suffix trademarked products in 1958, or slightly earlier, it was unaware of the defendant or its products. This testimony is supported by the fact that defendant's products were not sold through retail health food stores until 1960. Thus, certain of plaintiff's plus-suffixed products were available in health food stores, the arena in which the parties compete directly, prior to the defendant's products.

Moreover, ACEROLA PLUS, a type of vitamin C tablet which was originated by plaintiff, was first sold in 1960. This product is plaintiff's biggest seller. The defendant did not produce an acerola tablet until about 1972. Likewise, CAMU PLUS, another vitamin C tablet, was originated by plaintiff. It was introduced in 1967 and is apparently the only product of its kind on the market.

All of these facts convince me that when the parties became direct competitors they had each already adopted trademarks which utilized the word "plus". There is no evidence of bad faith on plaintiff's part. In fact, at the time that plaintiff began to use the word "plus" in its trademarks, the defendant was still using its composite mark, had not yet registered "PLUS" with the Patent and Trademark Office, and was actually the newcomer to the retail health food store market.

It would further appear that the parties became aware of each other at roughly the same time in the early 1960's, with plaintiff's awareness probably preceding defendant's slightly. Thereafter, the defendant neither took any action against nor complained to plaintiff for approximately seven years.

Based upon these facts the plaintiff urges that laches estops defendant from asserting a claim of infringement. Clearly the defendant did delay for a long period of time (approximately seven years) in asserting the rights it now claims. The plaintiff adopted certain of its marks before it knew of defendant and thereafter was justified in relying on defendant's silence in continuing to sell, advertise, and expand its plus-suffixed line of products.

I also find that the injury to the plaintiff while enjoining its use of the plus-suffix trademarks would cause would be enormous and irreparable. The sales of its plus-suffixed products represent roughly 1/3 to 2/3 of plaintiff's total yearly sales (the figures fluctuate from year to year).

On the other hand, while the parties are in direct competition, I find that the harm to the defendant of plaintiff's use of its plus-suffix trademarks has not been proved. The defendant's sales have grown continuously. The defendant's net sales for 1973, the last year for which I have complete statistics, were approximately six times those of plaintiff. In contrast, the plaintiff's sales of its contested products represent over one-half of its total sales for the same year. Thus, to the extent that defendant might have lost any sales in 1973, the potential gain to defendant was minimal in comparison to the potential loss to plaintiff.

In fact, as discussed below, no actual confusion has been demonstrated nor is such confusion likely. Furthermore, the Patent Office Trademark Trial and Appeal Board found in denying defendant's opposition to the registration of "PROTEIN PLUS," a breakfast cereal produced by General Mills, Inc., "that in a

trademark sense [PLUS] is a weak rather than inherently strong mark." *Plus Products v. General Mills, Inc.*, Opposition, No. 52,595, June 23, 1975 at 6.

In sum, I find that the plaintiff was justified in relying on defendant's silence which confirmed plaintiff's belief that the respective trademarks were not in conflict. Weighing the equities, I find the defendant is now estopped from asserting its claim. See *Saxlehner v. Eisner & Mendelson Co.*, 179 U.S. 19 (1900); *Carl Zeis Stiftung v. VEB Carl Zeiss Jena*, 433 F.2d 686, 703-04 (2d Cir. 1970), cert. denied, 403 U.S. 905 (1971), *Haviland & Co., Inc. v. Johann Haviland China Corp.*, 269 F. Supp. 928 (S.D.N.Y. 1967).

The only defense raised by the defendant to the laches argument is one of unclean hands.<sup>4</sup> It is defendant's position that an equitable defense of laches may not be used by the plaintiff since it has misrepresented its product to the public. See *Precision Instrument Manuf. Co. v. Automotive Maintenance Machinery Co.*, 324 U.S. 805 (1944); *Morton Salt Co. v. G. S. Suppiger Co.*, 314 U.S. 488 (1941); *Worden & Co. v. California Fig Syrup Co.*, 187 U.S. 516 (1902).

At trial the defendant introduced some expert testimony as to the wholesale price and availability of natural vitamin C. The theory was that plaintiff's labels indicate that its products contain natural as opposed to synthetic vitamin C, whereas in reality the cost of the natural vitamin would preclude such a result.

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<sup>4</sup>The allegation by defendant of bad faith on plaintiff's part is, as I have found it, unfounded.

The argument that defendant has vigorously enforced its rights as to its trademark and tradename is belied by its own exhibit (R) which purports to list all its involvements in trademark opposition proceedings. The date of the earliest proceeding listed on that exhibit is 1/72.

The plaintiff vigorously objected to this testimony on the grounds of surprise. Defendant had failed to give the plaintiff notice of its experts, as requested by an interrogatory asking the names of any experts defendant intended to produce at trial. Alternatively, the plaintiff requested a continuance to enable it to respond to the surprise testimony.

The motion for a continuance was denied and I reserved decision on plaintiff's motion to strike the expert testimony. Because this case was tried non-jury, the defendant was allowed great latitude in presenting its expert testimony.

Even with the latitude afforded it, the defendant did not sustain its burden of proof. The proof as to the cost of the natural vitamin was inconclusive since not all suppliers were canvassed. In fact, even to the extent that one of the defendant's expert witnesses did survey the wholesale market, his testimony was objected to as hearsay. While such testimony was admissible as a foundation for the expert's opinion on the economic feasibility of producing a natural tablet, it was not proper proof of the truth of the various prices. Moreover, it was totally unpersuasive.

The defendant placed great emphasis on plaintiff's failure to assay the vitamins from its suppliers to ascertain whether in fact they were natural. There was general agreement that the difference between synthetic and natural vitamin C was insignificant both chemically and healthwise. The only significance according to defendant is the advertising value of the natural vitamin which many health food consumers believe superior to the synthetic.

The plaintiff's principal testified that the plaintiff relied on protocols from its suppliers which represented

the vitamins to be natural. There is nothing to indicate that this was improper. In fact, one of defendant's expert witnesses testified that in his own research on the effects of diet on animals he had relied on the guaranteed analysis of the food which his supplier certified.

Finally, there was the failure of the experts to analyze the plaintiff's products to determine whether, in fact, they contained natural or synthetic vitamin C. In view of the fact that various of plaintiff's products were weighed, tested for their vitamin potency, and found to accord with the statement on the labels, this oversight is quite astonishing.

The expert testimony was both an unfair surprise and, at best, inconclusive. Whether, if proved, the plaintiff's alleged mislabelling would have barred a laches defense need not be decided. The plaintiff in this case is not precluded from asserting its defense of laches.

Having found that defendant is estopped from asserting its claims, I need not reach the infringement question. However, because the public's interest is also at stake and because an examination of this issue will further clarify the equities involved, some analysis of the infringement question is warranted.

These are conflicting arguments as to whether or not the various trademarks are confusing to the public, as the applicable test for infringement would require. See *Maternally Yours, Inc. v. Your Maternity Shop, Inc.*, 234 F.2d 538 (2d Cir. 1956). Plaintiff's principal testified, and I find his testimony on this point compelling, that the health food buying public is quite sophisticated and able to distinguish between the products of the parties. Defendant counters with the argu-

ment that in registering "ACEROLA PLUS" on the Principal Trademark Register plaintiff was required to disclaim "ACEROLA," a generic term, leaving "PLUS" as the dominant, distinctive portion of the mark. According to defendant, this confuses the public.<sup>5</sup> However, the disclaimer<sup>6</sup> in the registration proceeding did not eliminate "ACEROLA" from plaintiff's labels and it is the composite mark which has come to be identified with plaintiff's product.

Defendant further points out that plaintiff's registration of "ACEROLA PLUS" on the Principal Register was a § 2(f) registration. 15 U.S.C. § 1052(f). A § 2(f) registration is one in which the Commissioner of the Patent and Trademark Office requires proof of distinctiveness of a mark by its acquisition of a secondary meaning. On the other hand, the defendant was able to register "PLUS" without any proof of secondary meaning. Thus "PLUS" must have been construed by the Patent and Trademark Office to be either suggestive or arbitrary. See *Abercrombie & Fitch Co. v. Hunting World, Inc.*, Slip op. 1565, 1575 (2d Cir. Jan. 16, 1976).

Therefore, despite plaintiff's disclaimer of "ACEROLA," the only logical conclusion is that the Patent and Trademark Office understood the plaintiff to be registering something more than merely "PLUS" when

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<sup>5</sup>While plaintiff's evidence of third party use of the word "plus" is inconclusive, the evidence is noteworthy both because of the sheer number of such products and because many of the products are in the food and dietary supplement lines.

<sup>6</sup>The actual wording of the disclaimer reads "no claim is made to the word 'Acerola' apart from the mark as shown." Acerola is a generic term which is, as a matter of law, incapable of acquiring independent trademark significance. However, the language of the disclaimer indicates that as used in plaintiff's trademark the word was accorded significance by the Patent and Trademark Office as an integral part of a composite mark.

it registered "ACEROLA PLUS" after requiring proof of its distinctiveness. Assuming, as defendant argues I must, that the Patent and Trademark Office did not find defendant's prior registration of "PLUS" (see *Henderson v. A. C. Spark Plug Div. of General Motors Corp.*, 366 F.2d 389, 393 (9th Cir. 1966)), the requirement of proof of distinctiveness indicates that it was the composite mark which was found to have become distinctive.

Defendants rely on a number of cases in which composite marks containing generic or descriptive terms as well as suggestive or arbitrary terms were held to overlap with registered marks containing the same suggestive or arbitrary words. See *W. E. Basset Co. v. Revlon, Inc.*, 435 F.2d 656 (2d Cir. 1970); *In re Freedom Oil Works Co.*, 77 F.2d 631 (3rd Cir. 1935); *Broderick v. L. Mitchell & Co.*, 289 F. 618 (D.C. Cir. 1923). In these cases the courts either found infringement or denied registration of the overlapping trademark. The defendant argues that the same situation exists in this case. Moreover, it argues that since acerola as a source of vitamin C had received wide publicity in the press and since defendant's name was well known through references to it in the 1954 hardcover and 1960 softcover publications of Adelle Davis' *Let's Eat Right to Keep Fit*,<sup>7</sup> the plaintiff cashed in on a market that should have belonged to defendant.

Without making any finding as to the state of defendant's reputation in 1960, I do find that it was plaintiff which originated and first marketed the acerola tablet.

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<sup>7</sup>The book refers to defendant in several footnotes, generally including the defendant's address. The presence of the address in the footnotes may well have suggested to the public the original mail-order nature of defendant's business.

Plaintiff expended considerable money advertising the product and creating a market for it. Plaintiff, which had long sold its products through health food stores, introduced the product simultaneously with defendant's entrance into the health food store market. Defendant did not introduce an acerola tablet for 12 years. Defendant's mark was not registered in 1960 when plaintiff introduced ACEROLA PLUS. Finally, plaintiff registered "ACEROLA PLUS" on the Supplemental Register prior to defendant's registering its mark on the Principal Register. While this fact may have little or no legal significance, it is probative of plaintiff's good faith belief that it had a right to the mark. All of these facts distinguish this case from those cited above.

Whether or not the marks were initially, superficially confusing and whether or not a composite mark combining a generic term and an already registered term could be said to have acquired a secondary meaning, so as to render them registrable under the Lanham Act (see *Abercrombie & Fitch Co. v. Hunting World, Inc., supra*), the plaintiff's trademarks have acquired a practical secondary meaning over the approximately eighteen years that plaintiff has used them. In sum, I find no significant likelihood of confusion\* between plaintiff's and defendant's products among ordinary prudent purchasers. See *Maternally Yours, supra*.

As to the plaintiff's plus-suffixed products which have been introduced during the pendency of this action,

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\*It is also interesting that in *Plus Products v. General Mills, Inc., supra*, the Trademark Trial and Appeals Board while basing much of their opinion on the difference between the products of the parties went on to find that PROTEIN PLUS is no more similar to PLUS than PLUS is to MILK PLUS and FOOD PLUS, marks which were cited against Plus Products' application to register "PLUS."

the equitable defense of laches is not available. However, the new products (Rose Hips Plus, Super Acerola Plus, E-Cerola Plus, and D-Alpha Plus) all adopt the style of plaintiff's earlier marks. To the extent that they are designed to cash in on anyone's reputation, it is plaintiff's own reputation which is invoked. For example, among plaintiff's established product line are Rose Hips Vitamin C Plus and Acerola Plus. The identification of the new products with these earlier products and with plaintiff's whole ~~plus~~-suffixed line, is necessarily far greater than with a product labelled Plus Formula .....

For all of the above reasons the plaintiff will not be enjoined from the use of its trademarks. Both parties have also failed in their attempts to cancel the trademark registration of the other.

Settle judgment on notice.

#### **Judgment.**

Plaintiffs having instituted this action for declaratory judgment and defendant having counterclaimed for trademark infringement and unfair competition, and this action having come on for trial before the Honorable Kevin Thomas Duffy, District Judge and the issues having been duly tried and a decision having been duly rendered, it is ORDERED, ADJUDGED, and DECREED that:

1. This Court has jurisdiction over the parties hereto and the subject matter of this action.
2. Plaintiffs' following trademarks including as a suffix the word "Plus" (hereinafter referred to as "plus

suffix trademarks") do not infringe defendant's trademark **PLUS**:

Lecithin Plus  
Brewers Yeast Plus Iron  
Wonderola Plus  
Alfalfa Seed Plus  
Whey-Lac Plus  
Vitamin A Plus  
Rose Hips Vitamin C Plus  
Bone Plus  
Liver Plus  
Camu Plus  
Acerola Plus  
All-Cal Plus  
Rose Hips Plus  
Super Acerola Plus  
E-Cerola Plus  
D-Alpha Plus

3. Plaintiffs' sales, offering for sale and advertising of products bearing the following plus suffix trademarks do not constitute unfair competition with defendant:

Lecithin Plus  
Brewers Yeast Plus Iron  
Wonderola Plus  
Alfalfa Seed Plus  
Whey Lac Plus  
Vitamin A Plus  
Rose Hips Vitamin C Plus  
Bone Plus  
Liver Plus  
Camu Plus  
Acerola Plus  
All-Cal Plus  
Rose Hips Plus

**Super Acerola Plus**

**E-Cerola Plus**

**D-Alpha Plus**

4. Defendant is estopped by laches from asserting its claims of trademark infringement and unfair competition against plaintiffs with respect to plaintiffs' following plus suffix trademarks adopted prior to the start of this suit:

**Lecithin Plus**

**Brewers Yeast Plus Iron**

**Wonderola Plus**

**Alfalfa Seed Plus**

**Whey Lac Plus**

**Vitamin A Plus**

**Rose Hips Vitamin C Plus**

**Bone Plus**

**Liver Plus**

**Camu Plus**

**Acerola Plus**

**All-Cal Plus**

5. Plaintiff's U.S. Patent and Trademark Office Registration No. 862-624, covering the trademark **ACEROLA PLUS**, and defendant's U.S. Patent and Trademark Office Registration No. 789,307, covering the trademark **PLUS**, are not cancelled.

6. Plaintiffs shall recover from defendant the costs of this action.

**PROOF OF SERVICE BY MAIL**

I am a citizen of the United States and a resident of the City and County of Los Angeles; I am over the age of eighteen years and not a party to the within action; my business address is: 6500 Flotilla Street, Los Angeles, California.

On July 16, 1976, I served the within APPENDIX VOLUME in re: "American Diet aids Company vs. Plus Products" in the United States, Court of Appeals, for the Second Circuit, Nos. 76-7225 and 76-7231;

on the attorneys in said action, by placing 2 copies thereof enclosed in a sealed envelope with postage fully prepaid, in the United States post office mail box at Los Angeles, California, addressed as follows:

ALAN LEVINE  
350 Fifth Avenue  
New York, New York 10001

I certify (or declare), under penalty of perjury, that the foregoing is true and correct.

Executed on July 16, 1976, at Los Angeles, California

*Fatima Howell*

Service of the within and receipt of a copy  
thereof is hereby admitted this 12 day  
of July, A.D. 1976.

Proof of Service Enclosed

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